Meeting of the North Richmond Waste & Recovery Mitigation Fee Joint Expenditure Planning Committee

Friday, February 15, 2013 2:00 pm - 4:00 pm

Richmond City Hall - Council Chambers | 440 Civic Center Plaza | Richmond, CA 94801

Members:

Dr. Henry Clark, **Chair -** NRMAC Representative: Unincorporated Area Jovanka Beckles, **Vice Chair -** Richmond City Councilmember Nathaniel Bates, Member - Richmond City Councilmember John Gioia, Member - Contra Costa County Supervisor Gayle McLaughlin, Member - Richmond Mayor & Councilmember Johnny White, Member - Incorporated Area Resident Joe Wallace, Member - NRMAC Representative: Unincorporated Area

Meeting Agenda:

- 1. Welcome and Introductions.
- 2. Public Comment on any item not on the agenda (not to exceed 3 minutes)
- 3. APPROVE the July 27, 2012 Meeting Minutes.
- 4. *RECEIVE* the following reports:
 - a. Summary of Expenditures to date 2012/2013 Expenditure Plan;
 - b. Tonnage & Revenue Update;
 - c. Expenditure Plan Strategy Implementation Update status reports.
- 5. DIRECT staff to prepare an amendment to the Memorandum of Understanding between the City of Richmond and Contra Costa County to address the Contra Costa County Auditor's Office "Examination of North Richmond Mitigation Fund" Report dated March 6, 2012 and associated "Summary of Non-Reportable Findings" released on April 26, 2012, to be considered for approval by the Richmond City Council and County Board of Supervisors.
- 6. *PROVIDE* direction about the proposed development of the 2013/2014 Expenditure Plan (See Budget Table in Committee Meeting Materials Packet).
- 7. APPROVE and ESTABLISH regular meeting schedule for two meetings per year that occur on the following dates/times: 3rd Friday in February (2pm 4pm) & Last Friday in May (2pm 5pm).
- 8. Receive Presentation(s) Verbal update(s) about mitigation funded strategies from the Community Services Coordinator and others.
- 9. *ADJOURN* to next meeting.

Agendas, meeting notes and other information regarding this committee can be found online at: www.cccounty.us/nr

Meeting materials will be made available for public inspection, during business hours at 450 Civic Center Plaza in Richmond, within 96 hours of meeting date and time.

The North Richmond Waste & Recovery Mitigation Fee Joint Expenditure Planning Committee will provide reasonable accommodations for persons with disabilities planning to attend the Committee's meeting. Please call or e-mail the following Committee staff person at least 72 hours before the meeting:

Lori Reese-Brown - City of Richmond, (510) 620-6869, lori_reese-brown@ci.richmond.ca.us

North Richmond Waste & Recovery Mitigation Fee Joint Expenditure Planning Committee

Meeting Minutes

Friday, July 27, 2012 2:00 pm - 5:00 pm

Richmond City Hall - Council Chambers / 440 Civic Center Plaza / Richmond, CA 94801

Members/Alternates in Attendance:

Dr. Henry Clark, **Chair** – NRMAC Representative: Unincorporated Area Nathaniel Bates, Member – Richmond City Councilmember (arrived during Agenda Item 5) Mayor Gayle McLaughlin, Member – Richmond City Councilmember Luz Gomez, Alternate Member – Contra Costa County Supervisor Joe Wallace, Member – NRMAC Representative: Unincorporated Area

Members Absent:

Jovanka Beckles, **Vice Chair** – Richmond City Councilmember Johnny White, Member - Incorporated Area Resident John Gioia, Member – Contra Costa County Supervisor

1. Welcome and Introductions

Chair Dr. Henry Clark called the meeting to order at 2:13pm.

2. Public Comment on any item not on the agenda

There were a total of two persons that offered Public Comment under this agenda item.

3. APPROVE the June 1, 2012 Meeting Minutes

Joe Wallace moved to approve the meeting minutes, seconded by Luz Gomez. *Motion was passed unanimously (4 Ayes)*.

4. RECEIVE the following reports:

- a. Revised Summary of Final Expenditures 2010/2011 Expenditure Plan;
- b. Summary of Expenditures to Date 2012/2013 Expenditure Plan; and
- c. Tonnage & Revenue Updates 2012/2013

Staff provided the Committee with copies of the reports listed above.

5. RECEIVE presentations from representatives of currently funded organizations that have proposed to implement funded Strategy activities beyond September 30, 2012.

There were a total of 20 individuals that spoke about various NRMF funded projects being implemented by their respective agencies or organizations. Committee Member Nathaniel Bates arrived during said presentations.

6. APPROVE recommendation to the Richmond City Council and County Board of Supervisors for adoption of a Second Amended 2012/2013 Expenditure Plan, including but not limited to, changes to the Budget reflecting suggested allocation of the remaining funding for the period through June 30, 2013.

Committee Member Luz Gomez motioned for proposed funding cuts in the Expenditure Plan to Strategies 1, 2, and 4. This included mention that Republic Services expressed willingness to provide associated services of picking up items within the public right-of-way (Strategy 4), and that any remaining funds specified for Strategy 4 would be used to cover Tagging and Abatement expenses. Committee Member Gayle McLaughlin indicated that both Park projects funded for \$200,000 within Strategy 10 were already underway. Committee Member Luz Gomez also suggested reducing Committee Staffing allocation by reducing it from 10.1% to 7% of the total budget. Proposed cuts from the motion provided for a total savings of \$43,188.71.

The motion by Luz was never voted on by the Committee. However, the proposed reallocation of savings (\$43,188.71) from her motion was subject to the following votes by the Committee:

- Motion to allocate additional \$6,000 to the NR Green Outreach Strategy and eliminate staff recommended reduction of \$1,500 within the Camera Strategy. *Motion was passed, 4 Ayes, 1 No Bates.*
- Motion to allocate the remaining \$65,304.25 in funding equally among three Community Based Projects (CBP), which included that \$3,000.00 of the \$21,768.08 per project would go to covering costs incurred by contracting agency. Motion was passed, 4 Ayes, 1 No Bates: Initially, 1 vote to abstain Mayor McLaughlin, which was changed to an Aye after an alternate Motion of funding five Community Based Projects died for the lack of a 2nd Motion.
- Motion to allocate one-third of CBP funding to Center for Human Development. Motion was passed, 4 Ayes, 1 No – Bates (no abstentions).
- Motion to allocated one-third of CBP funding to CURME. Motion was passed, 4
 Ayes, 1 Abstain Bates.
- Motion to allocate one-third of CBP funding to Reach Fellowship. Motion was passed, 4 Ayes, 1 Abstain Gomez. Following were brief comments/discussion related to concerns about Men & Women of Valor, not a question of intention, but rather misunderstandings and costs ultimately borne by City/County for the February clean-up.

The Committee requested that Staff ensure that the non-profit organizations responsible for the selected Community Based Projects selected for funding be advised of the Committee's funding recommendation decisions.

7. ADJOURN to next meeting on February 15, 2013 (2pm-4pm)

The meeting was adjourned at 5:10 p.m.

North Richmond Waste and Recovery Mitigation Fee Meeting - February 15, 2013 2012-2013 Expenditure Plan Budget Summary

Agenda Item 4a

(as of February 2013)

#	Strategy	Amounts in penditure Plan Budget ²	otal Actual xpenditures To-Date	Estimated Budget Remaining
1	Bulky Item Pick-ups & Disposal Vouchers ³	\$ 500.00	\$ 500.00	\$ -
2	Neighborhood Clean-ups	\$ 1,500.00	\$ 1,500.00	\$ -
3	Prevention Services Coordinator	\$ 42,000.00	\$ 12,574.49	\$ 29,425.51
4	Right-of-Way Pick-up & Tagging Abatement	\$ 28,500.00	\$ 28,500.00	\$ -
5	Code Enforcement - County	\$ 165,300.00	\$ 87,960.22	\$ 77,339.78
6	Code Enforcement - City	\$ 50,000.00	\$ 50,000.00	\$ -
7	Illegal Dumping Law Enforcement	\$ 281,250.00	\$ 140,625.00	\$ 140,625.00
8	Surveillance Cameras	\$ 4,500.00	\$ 2,718.46	\$ 1,781.54
9	Illegal Dumping Prosecutor	\$ 20,000.00	\$ 13,270.16	\$ 6,729.84
10	Parks Rehabilitation Initiative	\$ 200,000.00	\$ -	\$ 200,000.00
11	Community Services Coordinator	\$ 86,065.50	\$ 58,274.77	\$ 27,790.73
12	Community-Based Projects ¹	\$ 253,110.61	\$ 141,411.75	\$ 111,698.86
13	North Richmond Green Community Service Programs	\$ 58,700.00	\$ 24,489.74	\$ 34,210.26
14	North Richmond Green Campaign	\$ 15,000.00	\$ 3,014.94	\$ 11,985.06
15	Neighborhood Gardening Project	\$ 42,589.56	\$ 42,589.37	\$ 0.19
16	Removal & Disposal of Street Cans	\$ 2,000.00		\$ 2,000.00
×	Committee Administration/Staffing	\$ 97,392.17	\$ 97,392.17	\$
12%	Contigency (Reserve for Revenue Shortfall)	\$ 42,908.82		\$ 42,908.82
otal Sec	ond Amended Expenditure Plan Budget ²	\$ 1,391,316.66	\$ 704,821.07	\$ 686,495.59
otal Anti	icipated Revenue (Actual, Projected & Carry-Over) ²	\$ 1,377,965.15		\$ (13,351.51)

Funding is allocated among multiple Community-Based Projects, the amount recommended per Project are shown in the Community Based Projects Table(s).

² Total Anticipated Revenue shown above reflects the actual amount received to date for CY 2012 plus the amount projected to be received from January-June 2013 (\$827,040.52). The Unspent 2010/11 Funding includes the amount of interest earned in 2010/11 (\$7,930.48) plus the amount of unexpended funding received in the prior EP cycle which is treated as "roll-over" (\$542,994.15).

 $^{^3}$ Total amount the City has paid to Republic Services for Disposal Vouchers in 2012 is \$1,264.21, which is \$764.21 more than the above amount approved in the Second Amended 2012/2013 Expenditure Plan budget. Staff anticipates suggesting that this amount be included as additional allowable reimbursement expenditure authorized to be funded in 2013-14 EP.

North Richmond Waste & Recovery Mitigation Fee Payments

Date Received	Time Period		Amount Received	Processible Tons	Solid Waste Tons
3/1/2012	Jan-12	\$	44,472.44	4,753	12,232
4/10/2012	Feb-12	\$	41,931.87	4,849	11,433
5/4/2012	Mar-12	\$	46,110.98	6,303	12,310
6/14/2012	Apr-12	\$	46,276.37	6,528	12,300
7/10/2012	May-12	\$	48,617.19	7,094	12,858
1/31/2013	Jun-12	\$	44,298.93	5,998	11,842
1/31/2013	Jul-12	\$	46,159.49	6,209	12,351
1/31/2013	Aug-12	\$	48,139.21	6,324	12,921
1/31/2013	Sep-12	\$	41,576.70	5,636	11,113
1/31/2013	Oct-12	\$	46,297.44	6,296	12,369
1/31/2013	Nov-12	\$	44,814.19	5,496	12,135
1/31/2013	Dec-12	\$	43,054.47	5,063	11,717
	Jan-13				
	Feb-13				
	Mar-13				
	Apr-13				
	May-13				
	Jun-13				
Total - Actual (2012)		\$	541,749.28	70,550	145,581
Total - Actual YTD (Jan-Jun 2013)			-	0	0
Total - Actual YTD (Ja	an 2012 - Jun 2013)	\$	541,749.28	70,550	145,581
Monthly Average - Actual		\$	45,145.77	5,879	12,132
Total - Projected (2012		\$	566,611.61	64,966	154,648
Total - Projected (Jan-Jun 2013)			282,459.74	32,342	77,105
Total - Projected (Jan	,	\$ \$	849,071.35	97,308	231,753
Monthly Average - Projected			47,170.63	5,406	12,875

Actual Revenue Shortfall (2012)	\$ (24,862.32)	
Actual Revenue (Jan-Jun 2013)	TBD	

STAFF REPORT North Richmond Waste & Recovery Mitigation Fee Joint Expenditure Planning Committee

MEETING DATE: February 15, 2013

AGENDA ITEM: 5

SUBJECT: Review of Contra Costa County Auditor's Office Report

& Non-Reportable Findings about NRMF Funding

RECOMMENDATION(S):

 DIRECT staff to prepare an amendment to the Memorandum of Understanding between the City of Richmond and Contra Costa County to address the Contra Costa County Auditor's Office "Examination of North Richmond Mitigation Fund" Report dated March 6, 2012 and associated "Summary of Non-Reportable Findings" released on April 26, 2012, to be considered for approval by the Richmond City Council and County Board of Supervisors.

BACKGROUND:

On June 1, 2012, the NRMF Committee accepted the Contra Costa County Auditor's Office "Examination of North Richmond Mitigation Fund" Report dated March 6, 2012, and its "Summary of Non-Reportable Findings" released on April 26, 2012. Subsequently, in response to one of the Auditor Report's recommendations, the Committee recommended that the City and County consider approving an amendment to the Memorandum of Understanding between the City of Richmond and County to reflect that Expenditure Plans be prepared on an annual basis. In late June 2012, the Richmond City Council and County Board of Supervisors approved "Amendment No. 2 to the Memorandum of Understanding by and between the City of Richmond and the County of Contra Costa regarding Solid Waste Transfer Facility Host Community Mitigation Fees" to reduce the expenditure plan cycle applicable to the joint administration of the mitigation fee, as recommended by the North Richmond Waste and Recovery Mitigation Fee Joint Expenditure Planning Committee.

On June 1, 2012, the Committee also directed staff to prepare recommendations responding to the County Auditor's Office recommendations/findings based on the documents prepared by the County Auditor's Office. Below is a summary review of the County Auditor's Office reports and staff recommendation.

SUMMARY REVIEW OF AUDITOR'S REPORTS

Summary of County Auditor Report on NRMF Funds (Dated March 6, 2012)
On March 6, 2012, the County Auditor's Office released the "Examination of North Richmond Mitigation Fund" report (See Attachment 1 for details). According to the County Auditor's Office, items that are detected as non-compliance and/or recommendations made in a report of this kind are considered items of high priority, and should be addressed.

The report prepared by the Contra Costa County Auditor's Office reviewed the North Richmond Mitigation Fund from the inception of the fund through February 2011 and examined the following (7) seven areas of the North Richmond Mitigation Fee Fund:

- 1. Compliance with the provision of the Memorandum of Understanding by and between the City of Richmond and Contra Costa County;
- 2. Governance structure and operations as set by the Bylaws of the North Richmond Waste and Recovery Mitigation Fee Joint Expenditure Planning Committee;
- 3. Expenditure Plan and Expenditure Categories;
- 4. Request for proposal process for Community Based Projects;
- 5. Procurement Process for Community Based Projects;
- 6. Accounting and Activity of the Revenue, Expenditures, and Fund Balance; and
- 7. Control Framework of Internal Control Practices of the Fund.

The review completed by the Auditor's Office did not verify if grantee disbursement monies were used to accomplish the goals and objectives stated in the Community Based Project proposals, nor were Grantees contacted or interviewed during the examination.

Auditor Recommendations: Based on the areas evaluated and reviewed by the Auditor's Office, there was no detection of non-compliance of the North Richmond Mitigation Fee Fund. However, the Auditor's Office provided the following general recommendation:

Amend the Memorandum of Understanding to provide a format definition of the Expenditure Plan structure.

As a part of this recommendation the Auditor's Office included the following specific suggested actions:

- Ensure that all grantee names and awards be included in the Expenditure Plan to promote accountability and transparency to stakeholders;
- Define the Expenditure Plan funding cycle to be one fiscal year in order to promote oversight and provide consistency with accounting effectiveness in operations (was recommended by Committee and approved by City and County in June 2012); and
- Suggests additional measures be taken to improve efficiency related to the expenditure process, such as considering other processing and disbursement options.

Summary of Non-Reportable Findings Document (released April 26, 2012)
On April 26, 2012, the County Auditor's Office released the "North Richmond Mitigation Funds Summary of Non-Reportable Findings" document (See Attachment 2). This report provides several recommendations by the Auditor's Office that are considered potential risks that could be considered high risk if they are not addressed in the future when/if another review of North Richmond Mitigation Fee funding is completed by the County Auditor's Office.

NEXT STEPS

Based on the extent of the findings and recommendations provided by the County Auditor's Office Reports on the North Richmond Mitigation Fee Fund, staff recommends that the Committee direct staff to amend the Memorandum of Understanding between the City of Richmond and Contra Costa County to address the Auditor's Office recommendations. This will allow the City and County staff to consult with legal counsel regarding the recommendations made by the Auditor's Office and include any necessary provisions in the proposed amendment to the Memorandum of Understanding to address the potential risks/recommendations identified in the Auditor's Office reports.

Attachments:

- A. County Auditor's Office "Examination of North Richmond Mitigation Fund" Report dated March 6, 2012
- B. County Auditor's Office "Summary of Non-Reportable Findings" released on April 26, 2012

North Richmond Waste & Recovery Mitigation Fee Projections - Fiscal Year 2013/14

Fees apply to tons accepted at Republic Services' Bulk Material Processing Center & Golden Bear Transfer Station

Solid Waste Mitigation Fee	\$	3.38 Per Ton	(applies if waste will be transferred to a landfill)				
Processibles Mitigation Fee ¹		0.91 Per Ton	(applies if gate rate charged is more than \$12.20/ton)				
		7% Gross Revenue	(applies if gate rate charged is \$12.20/ton or less)				
Above Per Ton Fees and Gate Rate threshold include annual CPI-adjustments that went into effect on January 1, 2013							

Processibles Solid Waste Projected Annual Daily Annual Types of Processibles & Waste Accepted Mitigation Fee Mitigation Fee Mitigation Fee Tonnage² Tonnage³ Revenue¹ Revenue Revenue Green & Wood Waste (not landfilled) 177 63.971.29 \$ 58.213.87 \$ 58.213.87 \$ \$ Appliances, Tires/Bulk Materials (not landfilled) 1 328.00 298.48 298.48 Asphalt & Concrete⁴ (not landfilled) 7.063.00 \$ \$ 20 6.427.33 6,427.33 \$ \$ 0 0.00 Wet/Dusty Material (not landfilled) \$ \$ WCWD Biosolids (not landfilled) 0 0.00 \$ Reclaimed Soil or Dredged Materials (not landfilled) 0 0.00 \$ \$ Solid Waste (all waste to be transferred to landfill) 401 144,858.00 489,620.04 489,620.04

216,220.29

REFERENCES

TOTALS

1. Amount of projected Processibles Mitigation Revenue assumes all loads of processibles will be subject to the \$0.91 per ton fee, rather than 7% gross revenue, since the facility operator does not expect to charge less than \$12.20 per ton for any Processibles (as of 2/6/2013)

599

- 2. Annual Tonnage projections provided by facility operator representatives in February 2013 (Peter Nuti Republic Services)
- 3. Daily tonnage is the estimated average which was calculated based on an assumed 361 operating days/year.
- 4. Including recovered building material wastes, packaging ruble resulting from construction, remodeling, repair, demolition.

\$ 489,620.04

\$

554,559.72

\$ 64,939.68

NORTH RICHMOND MITIGATION FEE EXPENDITURE PLAN BUDGET

	#	Expenditure Plan (EP) Strategy	E	tal 2012/2013 EP Budget an 2012 - Jun 2013)	First Draft 2013/14 Budget For Discussion (Jul 2013 - Jun 2014)		2013/2014 Budget Scenario (proportional based on approved 12/13 EP Budget*)	
	1	Bulky Item Pick-ups & Disposal Vouchers	\$	500.00	\$	6,000.00	\$	
	2	Neighborhood Clean-ups	\$	1,500.00	\$	10,000.00	\$	1,500.00
	3	Prevention Services Coordinator	\$	42,000.00	\$	28,000.00	\$	28,000.00
Core Services	4	City/County Right-of-Way Pick-up & Tagging Abatement	\$	28,500.00	\$	38,000.00	\$	5,000.00
re S	5	Code Enforcement - County	\$	165,300.00	\$	110,200.00	\$	110,200.00
ဝ	6	Code Enforcement - City	\$	50,000.00	\$	33,333.33	\$	33,333.33
	7	Illegal Dumping Law Enforcement	\$	281,250.00	\$	187,500.00	\$	187,500.00
	8	Surveillance Cameras	\$	4,500.00	\$	3,000.00	\$	3,000.00
	9	Illegal Dumping Prosecutor	\$	20,000.00	\$	13,333.33	\$	13,333.33
ıts	10	Parks Rehabilitation Initiative	\$	200,000.00	C	ne Time Project	·	One Time Project
mer	11	Community Services Coordinator	\$	86,065.50	\$	57,377.00	\$	57,377.00
ance	12	Community-Based Projects ¹	\$	253,110.61		TBD	\$	65,304.25
nental Enhancements	13	North Richmond Green Community Service Programs	\$	58,700.00	\$	39,133.33	\$	39,133.33
	14	North Richmond Green Campaign	\$	15,000.00	\$	10,000.00	\$	10,000.00
Supplen	15	Neighborhood Gardening Project	\$	42,589.56	C	ne Time Project	c	ne Time Project
Su	16	Removal & Disposal of Street Cans	\$	2,000.00	C	ne Time Project	C	ne Time Project
	Х	Committee Administration/Staffing	\$	97,392.17	\$	64,928.11	\$	64,928.11
		Contingency (7% of Projected Revenue)	\$	42,908.82	\$	38,819.18	\$	38,819.18
Tota	Total Expenditure Plan Budget ²			1,391,316.66	\$	639,624.29	\$	655,928.54
Tota	Total Projected Revenue ²			1,391,316.66	\$	554,559.72	\$	554,559.72

Reduction Needed in Budget

\$

(85,064.57) \$ (101,368.82)

¹ Funding is allocated among multiple Community-Based Projects, the amount recommended per Project are shown in the the applicable Expenditure Plan Community Based Projects Table(s).

² Total Anticipated Revenue shown above reflects the amount projected to be received in Mitigation Fees between July 1, 2013 through June 30, 2014 (\$554,559.72). This does not include any projected interest or unexpended funding received in the prior EP cycle ("roll-over" funding, potentially to be treated as reserve in response to Auditor's Office Report).